

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE PETITION OF)	
ARTESIAN WATER COMPANY, INC.,)	
FOR APPROVAL OF A NEW INTERCONNECTION)	PSC DOCKET NO. 18-1277
RATE WITH THE TOWN OF SELBYVILLE)	
(FILED DECEMBER 7, 2018))	

ORDER NO. 9333

This 31st day of January 2019, the Delaware Public Service Commission ("Commission") determines and orders the following:

WHEREAS, on December 7, 2018, Artesian Water Company, Inc. ("Artesian") filed a petition (the "Petition") with the Commission, seeking "an appropriate Order authorizing the establishment" of a new interconnection rate between Artesian and the Town of Selbyville, Delaware ("Town"). The water interconnection is a two-way interconnection with the primary purpose of Artesian's supplying water to the Town; and

WHEREAS, Artesian proposes a rate, effective February 14, 2019, of \$3.50 per 1,000 gallons whether from Artesian to the Town or vice versa; and

WHEREAS, according to the Petition, Artesian is expected to produce additional revenues of \$63,900, which will be offset by \$15,600 in annual depreciation expense and taxes of \$13,400. However, the Company asserts that if this interconnection's financial impact were included in the Company's financial results as of September 30, 2018, the Company's earned rate of return would have been 7.8%. (Artesian's earned rate of return was 7.78% and its authorized rate of return is 7.82%); and

WHEREAS, Commission Staff ("Staff") reviewed the Petition and the documents attached thereto, and Staff confirmed that the projected increase in revenues will not cause Artesian to earn a return in excess of 7.82%. Further, Staff has opined that allowance of the rate is consistent with the public interest. Accordingly, Staff recommends approval of the Petition, subject to the condition that such approval should not be construed as approval for rate-making treatment for future rate cases;

NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS:

1. That the Commission hereby approves Artesian Water Company, Inc.'s new interconnection rate of \$3.50 with the Town of Selbyville, effective February 14, 2019.

2. That this approval shall not be construed, in any manner, as endorsing any ratemaking treatment for any future rate case.

3. That Artesian Water Company, Inc., shall file a new tariff leaf for this new interconnection rate with an effective date of February 14, 2019.

4. That Artesian Water Company, Inc., is hereby notified that it will be assessed the costs of this proceeding pursuant to 26 Del. C. § 114(b).

5. That the Commission reserves the jurisdiction and authority to enter such further orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chairman

Joan Horvath

Commissioner

Julie H.

Commissioner

AM

Commissioner

K. Drexler

Commissioner

ATTEST:

Donna Nicholson

Secretary

